

THE EFFECTIVE DATE OF THIS ORDINANCE IS JANUARY 1, 2003

ORDINANCE NO. 03-11-334

Re: Revisions To The Frederick County
Employees Retirement Plan

RECITALS

The Board of County Commissioners of Frederick County ("Board") by Ordinance No. 93-11-075 established a retirement plan for the employees of the Frederick County Government, effective July 1, 1993. The Frederick County Employees Retirement Plan ("Plan") was later amended by Ordinance No. 93-30-094, Ordinance No. 94-26-121, Ordinance No. 96-16-168, Ordinance No. 98-07-209, Ordinance No. 00-03-245, Ordinance No. 01-09-283, Ordinance No. 01-21-295 and Ordinance No. 02-12-308.

The Board now deems it appropriate to make certain additional revisions to the Plan to: (1) incorporate mortality tables required by rulings of the Internal Revenue Service, (2) add provisions pertaining to the transfer of service, related contributions and interest earned on the contributions in conjunction with involuntary transfers of a member unit to another employer as required by the State Personnel and Pensions Article of the Annotated Code of Maryland, and (3) clarify requirements for continuing documentation for recipients of disability benefits.

PC: CAO, HOSE, LOOTS, GROSSNICKLE, FILE

A hearing was held on Tuesday, July 8, 2003 at which time members of the public and plan participants had an opportunity to comment on the proposed revisions.

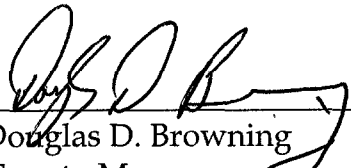
NOW THEREFORE BE IT ENACTED AND ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS FOR FREDERICK COUNTY, MARYLAND that: the provisions set forth on the attached Exhibit A, entitled "Tenth Amendment to the Frederick County Employees Retirement Plan" are hereby adopted and incorporated into the Frederick County Employees Retirement Plan.

AND BE IT FURTHER ENACTED AND ORDAINED that: the changes and revisions made by this Ordinance shall be effective on January 1, 2003 unless otherwise provided in the Amendment.


The undersigned hereby certifies that the foregoing Ordinance was approved and adopted on the 8th day of July, 2003.

ATTEST:

BOARD OF COUNTY COMMISSIONERS
OF FREDERICK COUNTY



Douglas D. Browning
County Manager *AK 7/18/03*

By: 

John L. Thompson, Jr.
President

EXHIBIT A
TENTH AMENDMENT TO THE
FREDERICK COUNTY
EMPLOYEES RETIREMENT PLAN

Section 6.4(d)(i) is amended to read as follows:

(i) Disability benefits shall commence on the first day of the month coincident with or otherwise next following the determination of disability by the County; provided, however, that benefits payable pursuant to this Section 6.4 shall be reduced by: (A) \$1.00 for each \$1.00 received by the Participant under the Maryland Workers' Compensation Act as compensation for an accident or injury underlying the Participant's total and permanent disability, and (B) \$1.00 for each \$2.00 of the Participant's earned income. THE DISABLED PARTICIPANT SHALL FURNISH TO THE COUNTY A COPY OF HIS OR HER FEDERAL INCOME TAX RETURN EACH YEAR.

Section 6.6(c) is amended by the addition of subsection (v) as follows:

(V) APPLICABLE MORTALITY TABLE – FOR DISTRIBUTIONS WITH ANNUITY STARTING DATES ON OR AFTER DECEMBER 31, 2002, NOTWITHSTANDING ANY OTHER PLAN PROVISIONS TO THE CONTRARY, THE APPLICABLE MORTALITY TABLE USED FOR PURPOSES OF ADJUSTING ANY BENEFIT OR LIMITATION UNDER 415(B)(2)(B), (C), OR (D) OF THE INTERNAL REVENUE CODE AND THE APPLICABLE MORTALITY TABLE USED FOR PURPOSES OF SATISFYING THE REQUIREMENTS OF 417(E) OF THE INTERNAL REVENUE CODE AS SET FORTH IN SECTION 6.6 IS THE TABLE PRESCRIBED IN REVENUE RULING 2001-62.

FOR ANY DISTRIBUTION WITH AN ANNUITY STARTING DATE ON OR AFTER THE EFFECTIVE DATE OF THIS SECTION AND BEFORE THE ADOPTION DATE OF THIS SECTION, IF APPLICATION OF THE AMENDMENT AS OF THE ANNUITY STARTING DATE WOULD HAVE CAUSED A REDUCTION IN THE AMOUNT OF ANY DISTRIBUTION, SUCH REDUCTION IS NOT REFLECTED IN ANY PAYMENT MADE BEFORE THE ADOPTION DATE OF THIS SECTION. HOWEVER, THE AMOUNT OF ANY SUCH REDUCTION THAT IS REQUIRED UNDER 415(B)(2)(B) OF THE INTERNAL REVENUE CODE MUST BE REFLECTED ACTUARIALLY OVER ANY REMAINING PAYMENTS TO THE PARTICIPANT.

Section 8.6 is added to the Plan as follows:

8.6 INVOLUNTARY TRANSFERS OF EMPLOYMENT – IF A PARTICIPANT IS INVOLUNTARILY TRANSFERRED TO ANOTHER STATE OR LOCAL RETIREMENT OR PENSION SYSTEM BECAUSE OF AN INVOLUNTARY TRANSFER OF THE PARTICIPANT'S EMPLOYING UNIT TO ANOTHER EMPLOYER, ALL OF THE COUNTY'S CONTRIBUTIONS ON BEHALF OF THE PARTICIPANT

AND INTEREST ON THOSE CONTRIBUTIONS SHALL BE TRANSFERRED TO THE NEW SYSTEM. THE AMOUNT TO BE TRANSFERRED TO THE NEW SYSTEM SHALL BE DETERMINED BY ACTUARIAL VALUATION. NOTWITHSTANDING THE FOREGOING, THIS SECTION 8.6 SHALL BE OPERATIVE ONLY TO THE EXTENT REQUIRED BY TITLE 37 OF THE STATE PERSONNEL AND PENSIONS ARTICLE OF THE ANNOTATED CODE OF MARYLAND, OR ANY SUCCESSOR STATUTE.

Underscoring and CAPITALS indicates matter added to existing ordinance.

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